GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1927
ANSWERED ON:28.11.2016
Production and Import of Natural Rubber
Rajendran Shri S.;Shanavas Shri M. I.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the total production of natural rubber in the country during the last three years and the current year, year-wise;
(b) whether there is only a small surplus of natural rubber in the market for the next few years and if so, the details thereof and the reasons therefor along with the reaction of the Government thereto;
(c) whether there has been any increase in the import of rubber/ natural rubber in the country during the last three years and the current year and if so, the details thereof indicating the details of rubber imports during the said period;
(d) whether the increase in rubber imports has caused a decrease in the rates of natural rubber produced domestically causing economic hardship for small and medium rubber growers and if so, the details thereof;
(e) whether the Government is considering to reduce the quantum of rubber imports or moratorium of imports to address the crisis in domestic market and if so, the details thereof;
(f) whether there have been any demands/ representations for supporting the small scale rubber growers from any representative body of rubber growers/ State Governments including Kerala and if so, the details thereof along with the action taken by the Government thereon; and
(g) whether the Government has decided to implement safeguard duty as per the 19th section of World Trade Agreement for rubber and if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) & (b)The total production of Natural Rubber (NR) in the country during the last three years and current year is as under:
Production of NR
Year Quantity (Tonne)
2013-14 774,000
2014-15 645,000
2015-16 562,000
2016-17
(April - October) 365,000

No surplus of natural rubber is expected in the domestic market as there has been a deficit in production and consumption in NR.
(c) There has been increase in the import of NR into the country during the last three years and the current year details of which are as under:
Import of NR
Year Quantity (Tonne)
2013-14 360,263
2014-15 442,130
2015-16 458,374
2016-17
(April - October) 294,937

(d) Fall in price of the Natural Rubber (NR) is attributable, inter alia, to trends in economic growth, production in major producing countries and demand in major consuming countries.Domestic NR prices generally follow the trends in the international market. Further, domestic production of NR is only about 55% of the total domestic consumption.
(e) Quantitative restrictions (QRs) on NR imports were removed with effect from April 2001 under WTO commitments and hence the government cannot reduce the quantum of import or impose moratorium on import. Quantum of NR import can be regulated only through tariffs subject to bound rates. NR is imported into India mainly in dry forms and the bound rate is 25% and the prevailing import duty of NR is also 25%.
(f) There have been demands/representations for supporting the small scale rubber growers from representative bodies of rubber growers and State Governments including Kerala. The Government has increased the duty on import of dry rubber from "20% or Rs 30 per kg whichever is lower" to "25% or Rs. 30 per kg. whichever is lower" w.e.f. 30.4.2015 in order to increase the cost of imported rubber and create demand for locally produced rubber. The Government has also reduced the period of utilization of imported dry rubber under advance licensing scheme from 18 months to 6 months. Director General of Foreign Trade (DGFT) has imposed port restriction on the import of natural rubber by restricting the port of entry to Chennai and Nhava Sheva (Jawaharlal Nehru Port) since 20th January, 2016.
(g) The Government has not imposed safeguard duty on imports of rubber.
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